

**UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
ALEXANDRIA DIVISION**

HARTFORD UNDERWRITERS INSURANCE)
COMPANY, TRUMBULL INSURANCE) Case No. 1:17-cv-1254
COMPANY, SENTINEL INSURANCE)
COMPANY, LTD., HARTFORD CASUALTY)
INSURANCE COMPANY and TWIN CITY)
FIRE INSURANCE COMPANY,)
)
Plaintiffs,)
)
v.)
)
DAVIS PAIGE MANAGEMENT)
SYSTEMS LLC,)
)
Serve: Registered Agent)
c/o Michael E. P. Davis)
11616 Havener Rd.)
Fairfax, Virginia 22039)
Defendant.

COMPLAINT

Plaintiffs, Hartford Underwriters Insurance Company, Trumbull Insurance Company, Sentinel Insurance Company, Ltd., Hartford Casualty Insurance Company and Twin City Fire Insurance Company, by and through their undersigned attorneys, as and for their Complaint against Defendant, Davis Paige Management Systems LLC, allege as follows:

Nature of Action

1. This is an action for breach of contract to recover money damages for the failure of Defendant to pay the full premiums owed under certain insurance policies issued by Plaintiffs.

Parties

2. Plaintiffs Hartford Underwriters Insurance Company (“Hartford Underwriters”), Trumbull Insurance Company (“Trumbull”) and Sentinel Insurance Company, Ltd. (“Sentinel”)

are Connecticut corporations which maintain their principal place of business at One Hartford Plaza, Hartford, CT 06155.

3. Plaintiffs Twin City Fire Insurance Company (“Twin City”) and Hartford Casualty Insurance Company (“Hartford Casualty”) are Indiana corporations which maintain their principal place of business at One Hartford Plaza, Hartford, CT 06155.

4. Plaintiffs Hartford Underwriters, Trumbull, Sentinel, Hartford Casualty and Twin City (collectively, “Hartford” or “Plaintiffs”) are all member companies of The Hartford Financial Insurance Group, Inc. and engaged in the business of insurance.

5. Defendant Davis-Paige Management Systems LLC (“Davis-Paige” or “Defendant”) is a Virginia corporation which maintains its principal place of business at 7611 Little River Turnpike, Suite 500E, Annandale, VA 22003. Upon information and belief, each of the individual members of Davis-Paige are also citizens of the Commonwealth of Virginia.

Jurisdiction and Venue

6. This Court has jurisdiction over this action under 28 U.S.C. § 1332(a)(1) because it involves citizens of different states and an amount in controversy exceeding the sum of \$75,000.00, exclusive of interest and costs.

7. Venue of this action in the Eastern District of Virginia is proper under 28 U.S.C. § 1391 in that it is the District where Defendant resides and where a substantial part of the events giving rise to this action occurred.

Background Facts

8. At the request of Defendant, Hartford issued the following insurance policies: (i) Workers Compensation and Employers Liability Insurance Policy No. 42 WE EH8098 for the periods of June 20, 2014 to June 20, 2015, June 20, 2015 to June 20, 2016, and June 20, 2016 to

June 20, 2017, and which was cancelled effective December 24, 2016; and (ii) Commercial Package Insurance Policy No. 42 UEN ZI9141 for the periods of June 20, 2015 to June 20, 2016, and June 20, 2016 to June 20, 2017, and which was cancelled effective December 24, 2016 (collectively, the “Policies”).

9. Pursuant to the Policies, Defendant agreed to pay certain premiums to Hartford. Some of the premiums were fixed and others were subject to adjustment after an audit. The premiums were generally structured under certain of the Policies so that the insured would pay an initial estimated annual premium (the “Estimated Premiums”) calculated and based upon various information provided by the insured to Hartford such as, for example, estimated payroll and the number of estimated covered employees and their respective work duties and classifications. At the end of the policy period, the Estimated Premiums would be adjusted, either up or down, based upon an audit of the insured’s actual payroll, number of employees and their respective work duties and classifications. Depending on the audit, the insured would either be entitled to a refund from Hartford if the Estimated Premiums were set too high, or required to pay additional premiums to Hartford if the Estimated Premiums were set too low.

COUNT I
(Breach of Contract)

10. Hartford hereby realleges and incorporates by reference each of the allegations set forth above in paragraphs 1 to 9 as if fully set forth herein.

11. At the conclusion of the policy periods, Hartford performed an audit of the applicable books and records of Defendant. As a result of the audits, it was determined that Defendant owed additional premiums of \$150,190.44 (the “Additional Premiums”) for the insurance coverage provided by the Policies.

12. On several occasions, Hartford sent Defendant a Final Insurance Bill setting forth the Additional Premiums owed under the Policies and demanding payment as required by the Policies. A true and correct copy of the Final Insurance Bill sent to Defendant is attached hereto as Exhibit A.

13. Defendant has wrongfully refused to pay the Additional Premiums owed to Hartford and thereby breached the terms and conditions of the Policies.

14. As a result of Defendant's breach of contract, Hartford has been damaged in an amount not less than \$150,190.44 (excluding interest, attorneys' fees, costs and expenses).

WHEREFORE, Plaintiffs hereby request that a judgment be entered against Defendant, Davis-Paige Management Systems, LLC, in the amount of not less than \$150,190.44, together with pre- and post-judgment interest thereon, and an award of the attorneys' fees, costs and expenses incurred by Plaintiffs as applicable, and such other, further, and different relief as the Court may deem just and proper.

COUNT II
(Account Stated)

15. Hartford hereby realleges and incorporates by reference each of the allegations set forth above in paragraphs 1 to 14 as if fully set forth herein

16. The amount of Additional Premiums owed to Hartford pursuant to the Policies is \$150,190.44.

17. The Final Insurance Bill issued to Defendant created an express and implied agreement between the parties as to the Additional Premiums due Hartford under the Policies.
See Exhibit A.

18. Defendant received and retained the Final Insurance Bill and did not, contemporaneously or reasonably thereafter, object to or dispute the amounts or charges contained therein and thereby accepted the invoice.

19. Defendant has failed to pay the Additional Premiums as invoiced despite Hartford's numerous demands for payment.

20. Defendant's failure to pay the amount due has caused Hartford to suffer damages.

21. As a result of Defendant's failure to pay the amount due and invoiced, Hartford has been damaged in the amount of not less than \$150,190.44 (excluding interest, attorneys' fees, costs and expenses).

WHEREFORE, Plaintiffs hereby request that a judgment be entered against Defendant, Davis-Paige Management Systems, LLC, in the amount of not less than \$150,190.44, together with pre- and post-judgment interest thereon, and an award of the attorneys' fees, costs and expenses incurred by Plaintiffs as applicable, and such other, further, and different relief as the Court may deem just and proper.

Dated: November 3, 2017
McLean, Virginia

Respectfully submitted,

**WILSON, ELSER, MOSKOWITZ,
EDELMAN & DICKER LLP**

By: /s/ Eric P. Burns

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